ECONOMIC UPDATE
SEPTEMBER 2016

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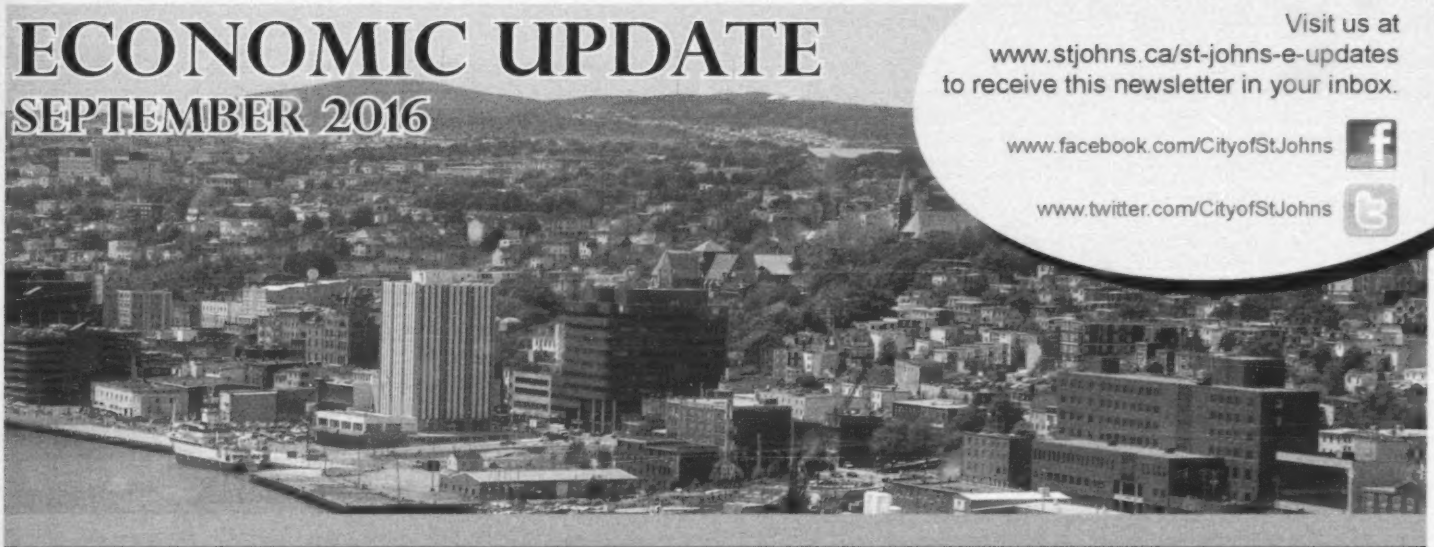


ECONOMIC INDICATORS

The New Housing Price Index for St. John's Metro was 151.9 in June 2016 up 0.5%*

The Consumer Price Index for St. John's Metro was 133.8 in July 2016 up 3.3%*

Retail trade for Newfoundland and Labrador was $767.4 million in June 2016 up 1.6%*

* same month in the previous year.

LABOUR FORCE CHARACTERISTICS

St. John's Metro, (seasonally adjusted, three-month moving average)

	July 16	Chg.*
Labour Force	127,500	3.3%
Unemployment Rate	6.7%	0.4 pt
Employment Rate	65.6%	0.8 pt
Participation Rate	70.2%	1.1 pt

* same month in the previous year.

BUSINESS BRIEFS

Potential 25 billion barrels of oil in Orphan Basin

The offshore exploration of Newfoundland and Labrador (NL) continues. Nalcor is doing $34 million in seismic work this year for resource estimates to attract oil companies. In August, the provincial government released a resource assessment that suggests there are potentially 25.5 billion barrels of oil in the West Orphan Basin, compared to the 12.5 billion barrels the Flemish Pass is believed to hold. The 2016 assessment adds growing knowledge about NL's offshore oil and gas potential, leading to more exploration work by global companies ensuring a thriving oil and gas industry for years to come. The provincial government hopes the study will attract even more investment than the Flemish Pass, which garnered $1.2 billion in bids last year. The bid round on the Orphan Basin closes Nov. 9, 2016.

www.releases.gov.nl.ca/releases/2016/exec/0824n04.aspx

St. John's office market overview

The overall vacancy rate increased 2.3% to 13.9% in the second quarter of 2016 compared to a year ago. The average asking rent (rental rates reflect gross asking rate per sq. ft./yr) increased 1% to $35.14 as of the second quarter of 2016. Currently, 186,600 sq. ft. of office space is under construction in the St. John's metro area. Cushman & Wakefield Atlantic expect office vacancy rates to rise and tenants to be more aggressive in their negotiation of leases and/or renewals.

http://cwatlantic.com

$3M funding from Silicon Valley firm for St. John's company Sequence Bio

Sequence Bio, a data-driven company that is leading a 100,000 person genome sequencing project, received a $3-million commitment from U.S.-based Data Collective Venture Capital. Sequence Bio says they're the first in Atlantic Canada to receive an investment from Silicon Valley. Their aim is to use data collected from the people of Newfoundland and Labrador to improve how diseases are diagnosed and treated. The company wants to become a player in early-stage pharmaceutical development and must next prove concept for advanced approach to drug development. The local company has about a dozen employees and is hoping to double in size by the end of the year.

https://sequencebio.com

ST. JOHN'S

Business Approvals

NJ's Kitchen
15 Rowan Street

Elaine's Books
208 Duckworth Street

Ivivva
Avalon Mall

Sandman Hotel
227 Kenmount Road

The General
27 New Gower Street

Full Circle Acupuncture and Wellness Inc.
12 Gleneyre Street

Egycana Fast Food Enterprises
21 Churchill Square

New Home - Based Businesses

Electrical Contractor
7 Galaxy Crescent

Collective Architecture and Design
4 Gander Crescent

Family home child care services
77 Almond Crescent

Family home child care services
13 Teakwood Drive

Family home child care services
32 Palm Drive

Total Year to Date	**90**
Regular	48
Home-based	42

City Building Permits (Year-to-date as of August 22, 2016)

Type	2015	2016	% Variance
Commercial	$105,142,000	$96,666,000	-8
Industrial	$0	$0	0
Government/Institutional*	$9,779,000	$6,000,000	-39
Residential	$55,000,000	$45,493,000	-17
Repairs	$2,769,000	$3,048,000	10
Total	$172,690,000	$151,207,000	-12

* Government/institutional data doesn't include the full range of permit activity undertaken by the provincial government and its agencies.

Upcoming Events

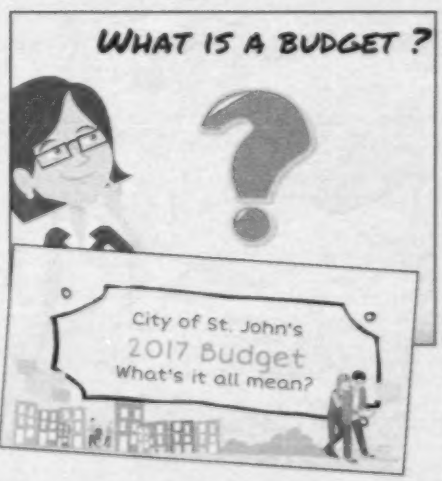
Luncheon - Atlantic Lottery Corporation CEO Brent Scrimshaw	Sept. 13	www. bot.nf.ca
NLOWE workshop: Mastering the Written Word with Frances Peck	Sept. 15	www.nlowe.org
Aquaculture Canada & Cold Harvest 2016	Sept. 18-21	www.aquacultureassociation.ca
Fire-Rescue Canada 2016	Sept. 25-28	www.cafc.ca
Association of Municipal Service Delivery	Sept. 26-28	http://conference.msdo.ca
Municipalities NL Convention and Trade Show	Oct. 6-8	www.municipalnl.ca
Attraction, Retention, and Integration of Immigrants in Smaller Communities conference	Oct. 7	www.eply.com/P2P2016stjohns

CITY INITIATIVES

City wants your input on Budget 2017

The City of St. John's launched its Budget 2017 engagement process in early July looking for public input. To help everyone understand the basics of a city budget, a new video was released on YouTube recently at **http://engagestjohns.ca/Budget-2017/videos/555.**

The video complements the engagement process. The online engagement forum at **engagestjohns.ca** will be open until late September. A series of ward-based engagement sessions are also being planned where Budget 2017 will be one of the topics discussed. Dates and locations will be published soon. A "What We Heard" document will be released later in the fall to close the loop on the budget engagement process. Residents are encouraged to sign up to actively participate in the discussion online and learn more.



ST. JOHN'S

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